

Department of Natural Resources

DIVISION OF OIL AND GAS

550 W. 7th Avenue Suite 1100 Anchorage, Alaska 99501-3560 Main: 907.269.8800 Fax: 907.269.8939

February 10, 2022

SAExploration, Inc. Ashley Rogers 8240 Sandlewood Place Anchorage, AK 99507

RE: MLUPNS 21-003, SAExploration, Inc., Narwhal Phase II Geophysical Exploration Permit Modification Approval

Dear Ms. Rogers:

The Department of Natural Resources (DNR), The Division of Oil and Gas (Division) approved SAExploration (SAE) Narwhal Phase II Miscellaneous Land Use Permit (MLUP) application, dated October 25, 2021, to conduct geophysical exploration on State of Alaska lands in the North Slope region of Alaska. The permit, MLUPNS 21-003, authorizes SAE to conduct a land-based seismic survey on State of Alaska land and waters within Colville Delta area of the North Slope, subject to the conditions of the permit. The approved permit terms are January 4, 2022 to tundra closing in 2022.

On January 31, 2022 SAE submitted a proposed modification to MLUP 21-003 to the Division for approval. SAE is requesting surface access on an additional 26 square miles of land outside of the originally permitted 59 square mile seismic survey area. Approval of this modification does not relieve SAE from securing other permits or authorizations associated with the proposed modification. Any further modification is subject to further review and approval by the Department of Natural Resources (DNR).

This modification is approved effective February 10, 2022.

Issuance of a permit under 11 AAC 96 is not a disposal of an interest in land and does not grant a preference right to a lease or other disposal. The permit is revocable for cause for violation of a permit stipulation of this chapter, and is revocable at will if the department determines that the revocation is in the state's interest. The proposed activities are for a discrete and limited duration with limited, temporary impact to the land, and are not part of a larger project or investment by the permittee that might weigh against revoking the permit. Therefore the permit is both legally and functionally revocable. Each permit issued is subject to any stipulations the department determines necessary to assure compliance with this chapter, to minimize conflicts with other uses, to minimize environmental impacts, or otherwise to be in the interests of the state. Public notice of any miscellaneous land use application is discretionary under 11 AAC 96.030(c). The

Director of the Division has the right at any time to amend or modify any provisions of this permit, or to revoke this permit.

Modification Description:

SAE is requesting surface access on an additional 26 square miles of land outside of the originally permitted 59 square mile seismic survey area. This additional area is comprised of federal, state, and native lands within the North Slope Borough. This area would be used to facilitate access around the seismic survey area for tracked vehicles.

Project Modification Area Legal Description:

State lands: Meridian: Umiat

Township: 9N Range: 4E Section: 23

Range: 5E Sections: 02-03, 10-11, 14-15, 22-23, 26-27

Non-state lands: Meridian: Umiat

Township: 9N Range: 4E Section: 14

Township: 10N Range: 5E Sections: 02-03, 10-11, 14-15, 22-23, 26-27, 34-35

Township: 11N Range: 5E Sections: 34-35

Scope of Decision:

This modification approval is limited only to the inclusion of state lands as identified above, for the purpose of travel to access the seismic survey area.

Agency Review:

The Division provided an agency review and comment opportunity for the activities considered for authorization under this decision. The following government entities were notified on February 1, 2022 for comment on the Plan Modification: North Slope Borough (NSB), US Fish and Wildlife Service (USFWS), US Army Corps of Engineers (USACE), Alaska Department of Fish and Game (ADF&G), Alaska Department of Environmental Conservation (ADEC), and DNR: Division of Mining Land and Water. The comment deadline was 4:30 pm Alaska time on February 8, 2022. Comments were submitted by the State Pipeline Coordinator's Section (SPCS) on February 3, 2022 and DMLW on February 4, 2022. The comments were considered and resolved in a timely manner.

Performance Guarantee:

The permittee has provided the Division with a performance guarantee under 11 AAC 96.060 in the amount of \$100,000.

Insurance:

The certificate of insurance has been furnished to the department and lists the State of Alaska, Department of Natural Resources as an additional named insured on the policy. The policy is issued by an insurer licensed to transact the business of insurance under AS 21.

Modification Approved:

Should any unforeseen issues arise, the Division has the authority to amend or revoke this permit modification. As detailed in this permit, the Division shall be notified if, during the conduct of activities, a surface use conflict occurs. All activities conducted under this permit are subject to inspection by the Division, and if damage occurs, appropriate interest holders will be engaged and corrective action will be prescribed. The Division will impose additional provisions as necessary under 11 AAC 96.040 at any time during the activity approved under this permit to minimize impacts and conflicts.

The Division considered all facts material to this modification including the permit provisions contained in this authorization per 11 AAC 96.040(b). The Division has determined that the permit modification is subject to the stipulations dated January 25, 2022 for this non-permanent activity as conditioned is in the state's interest.

Sincerely,

Jan 1970

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James Hyun Natural Resource Specialist

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b). This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Appendices: A: Map

ecc: DOG: Graham Smith, James Hyun, Ashley Ethridge, Mark Henspeter, Jacob Rowland and

SPCO Records

DMLW: Northern Region Office and Henry Brooks

ADF&G: Maria Wessel and Chelsea Clawson

ADEC: Laurie Silfven and DEC Water Oil and Gas

NSB: Planning Permitting Other: USACE and USFWS

Appendix A: Map

